DIV. OF OIL, GAS & MINING

FORM MR-AR (Revised 1/2006)

## STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

## ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I.	Gene	eral Information
	1.	Report Time Period: From (mo./yr.)01/05 To (mo./yr.)12/05
	2.	DOGM File Number (Mine No): M470066
	3.	Mine Name:Diamond Mountain Resources
	4.	Mineral(s) Mined (or permitted to mine): Limestone
	5.	Type of mine:  ☐ Surface Mine or ☐ Underground Mine
	6.	Legal Description (Location of Lands Affected):
		1/4,1/4, _SE1/4, Section16, Township _1 S, Range _22 E UMC 3636171/4,1/4, Section15, Township _1 S, Range _22 E UMC 363618
	7	1/4,1/4, _NE_1/4, Section21, Township _1 S, Range _22 E UMC 363624
	7.	Name of Operator or Company: Descret Generation & Transmission
	8.	Permanent Street Address: 12500 East 25500 South
		City, State, Zip: Vernal, UT 84078
		Phone: (435)789-9000 Fax: (435)789-5816 E-mail: larryj@deseretpower.com
	9.	Company Representative (or designated operator):
		Name: Larry Jorgensen
		Title:Operations Superintendent
		Business Address: 12500 East 25500 South
		City, State, Zip: Vernal, UT 84078
		Phone: (435)789-5702 Fax: (435)789-5816 E-mail: larryj@deseretpower.com  Please check if any of the above information has changed since previous year.
II.	Minir	ng and Reclamation
	1 1	the figure of the first that the fir
	1.	Was there any mine related activity during the past year? Yes ☑ No ☐ S ☐ OMG 343813
	2.	If no - what was the last year of activity?
		Was there any mine related activity during the past year? Yes No
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		PAN 1 9 2006
		JAN 1 9 2006

3.	Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. Mined 12,423.83 tons of Limestone.
	Total material moved for 2005 was 15,999.34 tons. We continued to mine in quadrants C2 and C3.
4.	Briefly describe the type of work performed, during the past year. Two sediment ponds were were built in 2005. One in B2 quadrant and the other in A5 quadrant. Both ponds have been inspected by DOGM.
5.	How much <b>new or additional acreage</b> was disturbed during the past year? <u>0.24 Acres</u>
6.	How much acreage was reclaimed during the past year? 0.7244 Acres
7.	Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release).  All road shoulders have been re-seeded. New seed has been placed around the sediment ponds
	at quadrants A5 and B2.
8.	What is the total disturbed acreage of entire project at years end? 17.24 Acres
9.	Briefly summarize any mining and/or reclamation plans for the upcoming year.
	We will submit for release of the 0.7244 acres in quadrant A2. Mining activity will continue in quadrants C2 and C3. We will produce approximately 55,000 tons of material in 2006. The amount of disturbed acreage should stay approximately the same.
10.	The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.
NOTE: Section	III., "Additional Information" applies only to large mining operations.
III. <u>Additional I</u>	Information - R647-4-121.2
1.	Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
IV. <u>Signature R</u> I hereb	<u>Requirement</u> by certify that the foregoing is true and correct.
	Name (Typed or Print): Larry Jorgensen
	Title of Operator: Operations Superintendent
	Signature of Operator: Savry Ingusu
	Date: Jan. 18, 2006
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I.	General Information				
	1.	Report Time Period: From (mo./yr.)01/05 To (mo./yr.)12/05			
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	3.	Mine Name:Diamond Mountain Resources			
	4.	Mineral(s) Mined (or permitted to mine): Limestone			
	5.	Type of mine:  ☑ Surface Mine or ☐ Underground Mine			
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		1/4,1/4, _NW 1/4, Section22 _, Township _1 S _, Range _22 E UMC 363602			
		1/4,1/4,1/4, Section, Township, Range			
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	7.	Name of Operator or Company: Deseret Generation & Transmission			
	8.	Permanent Street Address: 12500 East 25500 South			
		City, State, Zip: Vernal, UT 84078			
		Phone: <u>(435)789-9000</u> Fax: <u>(435)789-5816</u> E-mail: larryj@deseretpower.com			
	9.	Company Representative (or designated operator):			
		Name: Larry Jorgensen			
		Title: Operations Superintendent			
		Business Address: 12500 East 25500 South			
		City, State, Zip: Vernal, UT 84078			
		Phone: (435)789-5702 Fax: (435)789-5816 E-mail: larryj@deseretpower.com			
		Please check if any of the above information has changed since previous year.			
II.	<u>Mini</u>	ng and Reclamation			
	1.	Was there any mine related activity during the past year? Yes ☑ No □			
	2	If no - what was the last year of activity?			

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	Title of Operator: Operations Superintendent
	Signature of Operator: Jarry Jorgensen
	Date: Jan. 18, 2006
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